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E.O. 12958: DECL: TEN YEARS
TAGS: [PGOV](#) [PREL](#) [EC](#)
SUBJECT: POTENTIAL PRESIDENTIAL-CONGRESSIONAL CONFRONTATION
SCENARIOS

Classified By: PolChief Erik Hall for reasons 1.4 (b&d)

¶1. (C) Summary: As Rafael Correa prepares for his inauguration on January 15, he continues to signal an early and potentially decisive confrontation with Congress over his Constituent Assembly proposal. A Congressional majority of more than two thirds may be forming to oppose Correa's plans to convoke an unbounded assembly, which they suspect is intended to consolidate Correa's control over democratic institutions. Many predict an initial test of strength, if, as is likely, electoral authorities and Congress reject Correa's plans as unconstitutional and Correa considers attempting to dissolve Congress. If he chooses to do so, one scenario would be to impeach him and seek the support of the military. Others see possibilities for compromise, and view Lucio Gutierrez' Patriotic Society Party as a swing vote which could be convinced to endorse an Assembly restricted from dissolving Congress. Any move to dissolve the democratically-elected Congress unilaterally by Correa would threaten USG democracy interests here, and raise the prospect of further democratic backsliding. Irregular removal of yet another Ecuadorian president would also set back prospects for democratic stability. End Summary.

Correa Rallying Supporters of Assembly

¶2. (C) In recent public appearances president-elect Correa has reverted to early campaign rhetoric against the traditional political parties, calling for his supporters to take to the streets in defense of his proposed referendum on a Constituent Assembly, should the electoral tribunal try to block it. Meanwhile, Correa's chief political operative and minister-designate, Gustavo Larrea, has been conducting private diplomacy with political parties, perhaps seeking to prevent the opposition from hardening and attracting the elusive 2/3 majority to block Correa's plans.

¶3. (C) While on the stump Correa is not showing any signs of compromise; opinions about Larrea's dialogue outreach varies. PSC and PSP leaders privately accuse Larrea of "going through the motions" while others credit him for being willing to discuss the possibility of refining the referendum idea enough to limit the scope of the Assembly. The Democratic Left (8 congressional seats), Leon Roldos' Ethical Network Movement (6), indigenous Pachakutik (6), far-left MPD (3), Abdala Bucaram's weakened Roldosista Party (6), and single deputies representing the Socialists and the New Country movement have offered their support for the Assembly referendum.

Congressional Opposition

14. (C) A large majority in the new congress, however, are determined to oppose Correa's Assembly, which they perceive as a means toward dissolution of Congress and greater control by Correa over a new legislating body. Talks between leaders of the incoming Congress from Alvaro Noboa's PRIAN (28), Lucio Gutierrez' PSP (24), the Social Christian Party (13), and the reorganized Christian Democratic Union (UDC) (5) have begun to develop a joint strategy to block the idea of Correa's Assembly and promote alternative political reforms within the Congress.

15. (C) Four of the five incoming UDC deputies, including party leader Carlos Larreategui, met with the Ambassador on December 19 to discuss the current state of play in Congress. After lamenting Correa's economic policies as "the road to ruin," Larreategui expressed concern that the conflict between Congress and the Executive could come to a head early, with Correa mobilizing his supporters to protest outside the electoral tribunal and Congress. Larreategui outlined what he described as an agreed-upon strategy to oppose Correa's Assembly, first at the Electoral Tribunal and then in Congress. Upon taking office on January 5 (ten days before Correa's inauguration, by law) the 70-member coalition would immediately set about passing its own alternative political reforms. These would include shortening the period required to consider constitutional reforms from one year to 45-60 days, followed by other reforms to boost representation and rule of law (e.g. create bicameral legislature, reconstitute the Electoral Tribunal, and select new Comptroller and Attorney Generals).

16. (C) Luis Fernando Torres of the PSC shared slightly different views with us on December 21. Rather than speeding up passage of constitutional reforms, the opposition alliance would propose its own new constitution, debate it once, and let it sit pending the one-year dormancy period before it can be passed. Torres also predicted that Correa would mobilize his supporters against the Electoral Tribunal and Congress. Both institutions would oppose the idea of Correa's referendum. Torres expected that Correa would then consider dissolving Congress. If he attempted to do so, Congress would move to impeach. The military leadership, he said, is already concerned about Correa, who appears interested in removing the military leadership and nominating a woman civilian to lead the Defense Ministry.

Swing Vote: Lucio Gutierrez

17. (C) While some portray the anti-Assembly congressional alliance as unified, our impression is that it is still in the discussion stage, with some opposition tactics agreed upon, but no agreement on the substance of the alternative reforms Congress will offer. The role of ex-president Lucio Gutierrez' PSP is also in question. Some claim the PSP will adamantly oppose the Assembly and move to impeach Correa should he attempt to dissolve Congress.

18. (C) But PSP Andean Parliamentarian-elect Ivonne Baki told the Ambassador on December 21 that Gutierrez would only initially oppose the referendum, preferring to give the new Congress time to act on reforms. However, should those reforms be impossible to achieve, the PSP would agree to support the Assembly, as long as its powers and scope are circumscribed. Gutierrez would not agree to let the Assembly replace the Congress. Another important priority for Gutierrez would be to prosecute President Palacio for corruption and conspiracy, for his role in overthrowing Gutierrez in April 2005.

Makings of A Deal?

19. (C) Victor Rico Frontaura, Director of the OAS Department

of Sustainable Democracy and Special Missions, told ADCM and PolChief on December 20 that after meeting with Larrea and party representatives, he believed there was room for a compromise which would permit an Assembly approved by the Congress. Such a deal would hinge on PSP support, and would limit the scope of the Assembly and safeguard the permanence of Congress. If agreed upon by both branches of government, within constitutional bounds, such an Assembly would have the virtue of strengthening democracy by ensuring stability and preventing conflict.

Comment--U.S. Interests

¶10. (C) An initial skirmish to test popular support seems inevitable between the new president and Congress. It is not in our interest to be seen as a protagonist in the brewing showdown, should it lead to instability. Nevertheless, we will continue to encourage both sides to proceed cautiously and within the bounds of the constitution. Striking the deal needed to gain Congressional support for the Assembly will not be easy, and it is far from clear whether either Correa or Congress will be willing to work towards a compromise solution. U.S. democracy interests dictate that the process stay within constitutional bounds and Congress not be dissolved. Otherwise, conditions will be ripe for a power grab. We should also try to avoid becoming a refuge for those (including outgoing president Palacio) who might seek refuge from Ecuadorian justice in the United States. We will continue to encourage dialogue and offer assistance to the new Congress and to promote non-confrontational dispute resolution. Ultimately, the fate of the new government and Congress is in Ecuadorian hands.
JEWELL